

2010-08-19 Panama intends to solicit bids for about 180 megawatts...

:: Panama intends to solicit bids for about 180 megawatts of wind-power generating capacity early next year to diversify its electricity sources.

Aug. 19 (Bloomberg New Energy Finance) -- Panama intends to solicit bids for about 180 megawatts of wind-power generating capacity early next year to diversify its electricity sources.

About 26 projects that have provisional licenses, including two cleared for construction, would be able to participate, Zaratí Cartín, an engineer in the Panama Energy Ministry's clean-energy department, said in an interview today.

"Currently, hydro sells electricity at 6 to 7 cents per kilowatt-hour," she said. "We expect bids for wind projects to reach 8-10 cents per kilowatt-hour."

Panama had 1.8 gigawatts of generating capacity installed as of 2009, with half from fossil fuels and the rest from hydro sources, according to a document published by the regulatory agency Autoridad Nacional de los Servicios Públicos.

Empresa Transmision Electrica AS, the public electric-transmission company known as Etesa and charged with organizing the bidding, said in a July 14 presentation that the national grid can safely take on as much as 200 megawatts of wind power.

The bid process will be made official after passage of a new bill to regulate wind energy that will be proposed in the country's National Assembly next month, said Maxo Benalal, chief executive officer of Industria Tecnológica Panameña SA, one of several wind-power developers aiding Etesa with the event.

Following the regulatory legislation, the Energy Ministry will propose a resolution setting terms of the bidding, such as the amount of contracts to be sought, Daniel Pereira, planning manager at Etesa, said in an interview.

Possible Timeline

"Both pieces of legislation should be issued by December," with bidding likely to occur between January and April, he said.

Benalal said the contracts probably will be for 15 years, with projects required to come online by 2013.

"Tenders have become the preferred policy tool amongst Latin American countries to incorporate renewable energy in their electricity matrices," said Eduardo Tabbush, a wind specialist with Bloomberg New Energy Finance. "Previous experience in Brazil, Argentina and Peru indicates that this mechanism has been very effective in discovering the true cost for different renewable-energy technologies."

Source: Bloomberg New Energy Finance